

Excessive Pensions in the City of San Diego

***Data Requested By:
Councilmember Carl DeMaio***

***Data Analysis By:
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Findings That Should Outrage Taxpayers

Some Pensioners Can Draw FOUR Retirement Allowances at the Same Time

Making More in Retirement Than Current Salary of City Worker

City Politicians Retiring at Age 35

City Politicians “Double-Dipping”

How Pensioners Can Draw FOUR Retirement Allowances

**Retirement #1
Defined Benefit Allowance**

**Retirement #2
DROP Annuity Payment**

**Retirement #3
SPSP 401(k) Account**

**Retirement #4
Preservation of Benefits Allowance**

Top 10 Pension Payouts (CY 2009)

| FORMER POSITION | CURRENT TOTAL ALLOWANCE | ESTIMATED LIFETIME PAYOUT |
|--------------------------------|--------------------------------|----------------------------------|
| Assistant City Attorney | \$299,103 | \$8,009,017 |
| Investment Officer | \$247,312 | \$6,622,221 |
| Fire Battalion Chief | \$237,601 | \$6,362,191 |
| Assistant Police Chief | \$235,936 | \$6,317,608 |
| City Librarian | \$227,249 | \$6,084,998 |
| Fire Chief | \$223,778 | \$6,259,823 |
| Deputy City Attorney | \$217,246 | \$5,817,150 |
| Fire Battalion Chief | \$211,401 | \$5,660,639 |
| Deputy City Manager | \$192,846 | \$5,163,796 |
| Fire Battalion Chief | \$191,163 | \$5,118,731 |

Top 10 Pensions in Lifetime Benefits

\$61 million

Over the Next 25 Years

Top 10 Pension Payouts (CY 2009)

| FORMER POSITION | CURRENT TOTAL ALLOWANCE | CURRENT BUDGETED SALARIES (FY 2011) |
|--------------------------------|--------------------------------|--|
| Assistant City Attorney | \$299,103 | \$169,970 (avg.) |
| Investment Officer | \$247,312 | \$135,801 |
| Fire Battalion Chief | \$237,601 | \$96,062 (avg.) |
| Assistant Police Chief | \$235,936 | \$134,910 (avg.) |
| City Librarian | \$227,249 | \$139,680 |
| Fire Chief | \$223,778 | \$161,698 |
| Deputy City Attorney | \$217,246 | \$93,967 (avg.) |
| Fire Battalion Chief | \$211,401 | \$96,062 (avg.) |
| Deputy City Manager | \$192,846 | \$185,001 (Asst. COO) |
| Fire Battalion Chief | \$191,163 | \$96,062 (avg.) |

***Earning More in Retirement Than
Current Salary of City Worker***

City Librarian Budgeted Salary (FY 2011)
\$139,680

Former Head Librarian
Retirement (CY 2009)
\$227,249

Earning More in Retirement Than Current Salary of City Worker, Cont.

- City Head Librarian Current Salary: \$139,680
- Former Head Librarian Retirement Allowances
 - Defined Benefit Payment: \$122,495
 - Preservation of Benefits Allowance \$19,673
 - DROP Annuity Payment \$85,080
- Plus SPSP Draw Down \$unknown
- Plus Taxpayer-Funded Healthcare for Life...

***What is the Librarian's Estimated
Lifetime Pension Payout?***

\$6,085,000

Over the Next 25 Years

DROP Program Million Dollar Cash Balances

| | |
|--------------------------------|--------------------|
| Assistant City Attorney | \$1,118,992 |
| Personnel Director | \$1,024,144 |
| Asst. City Manager | \$1,012,379 |
| Deputy City Attorney | \$1,003,111 |
| Fire Battalion Chief | \$1,003,071 |

*as of February 6, 2009

Problems With City Politicians' Pensions

- Drawing Retirement Allowances at Absurdly Young Ages (35 Years Old)
- Double-Dipping from Taxpayers: Receiving taxpayer salary for higher office while drawing a city pension
- Heavy Taxpayer Subsidies for Cost of Politicians' Pensions

Retirement at Age 35

Michael Zucchet
City Labor Union Leader
and Retired Politician

- **City Pension: \$14,764**
U-T report: began collecting at
Age 35



San Diego City Council:
2002 - 2005

“Early Risers Club”

Politicians Drawing Retirements At Absurdly Young Ages

| <u>Politician</u> | <u>Age</u> | <u>Annual Amount (2009)</u> |
|--------------------------|-------------------|------------------------------------|
| Michael Zucchet | 35 | \$14,764 |
| Brian Maienschein | 39 | \$25,306 |
| Casey Gwinn | 45 | \$96,887 |
| Toni Atkins | 46 | \$39,356 |
| Jim Madaffer | 48 | \$46,734 |

“Double-Dip Club”

Getting a Taxpayer-Funded Salary on Top of a City Pension

Christine Kehoe – State Senator

- **City Pension: \$30,831**
- **State Legislator Salary: \$95,291**
- **State Senator Per Diem: \$38,042**



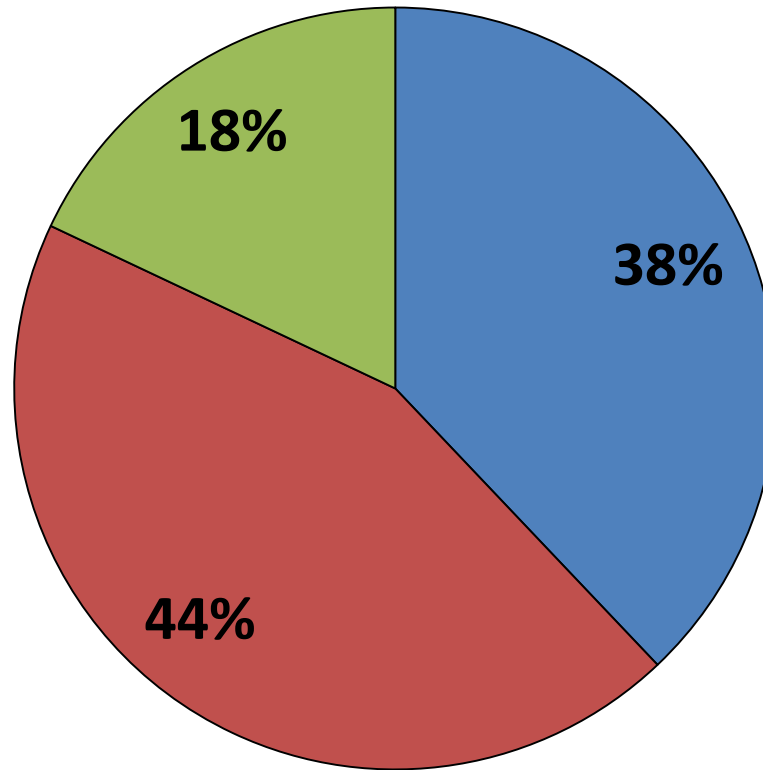
San Diego City Council
1993 - 2000

Aspiring “Double-Dippers”

- **Toni Atkins: Candidate for State Assembly**
City Pension: \$30,831
State Assembly Salary: \$95,291
Estimated State Assembly Per Diems: up to ~\$38,000
- **Juan Vargas: Candidate for State Senate**
City Pension: \$19,132
State Senate Salary: \$95,291
Estimated State Senate Per Diems: up to ~\$38,000
- **Ben Hueso: Candidate for State Assembly**
City Pension: TBD
State Assembly Salary: \$95,291
Estimated State Assembly Per Diems: up to ~\$38,000



Do Current City Retirees Live in the City of San Diego?



■ In SD ■ Outside SD ■ Outside CA

Massive Subsidy for Annual “Normal Cost” for Pensions for Politicians

CURRENT

Paid By Taxpayers \$27,350

Paid by Politician \$2,381

% of Normal Cost Paid by Politician **8%**

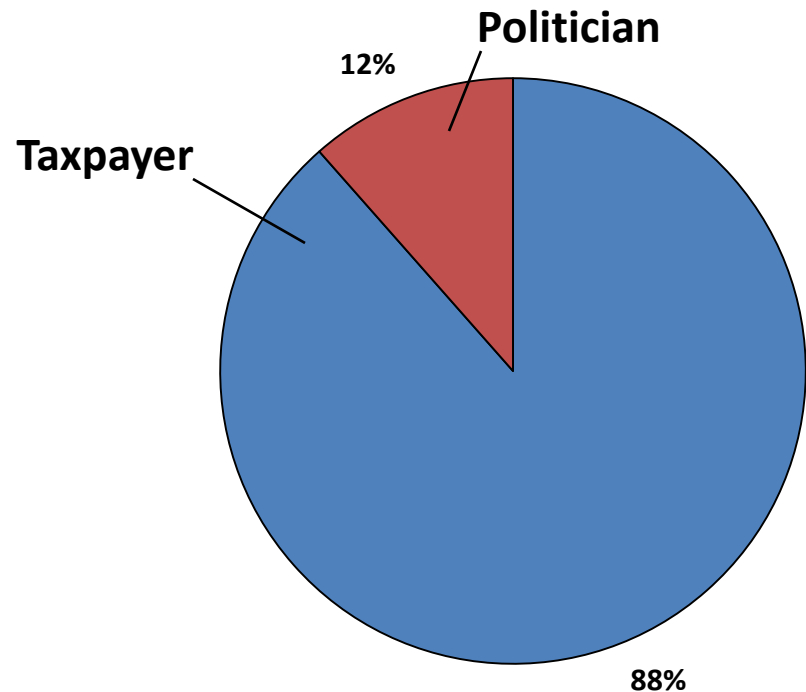
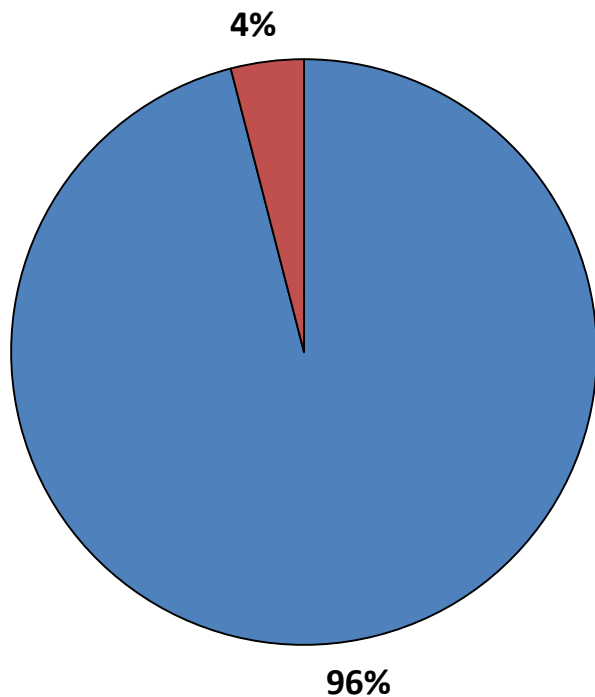
PROPOSED

Paid By Taxpayers \$22,927

Paid by Politician \$6,804

% of Normal Cost Paid by Politician **23%**

...But When You Add In Debt Service for Pension Liabilities, the Subsidy is Even Worse!



Pension Reform Can Start with Elected Officials

- **Step 1**: Require “Fair Share” Contributions by Eliminating not only Retirement Offset Contribution, but also Subsidy in Municipal Code. (See
- **Step 2**: Permanently close the pension system to future elected officials.
 - Establish a simple 401(k)-style match for future elected officials.

Pensions for City Politicians

| | |
|----------------------|----------|
| Robert Martinet | \$3,513 |
| Harry Mathis | \$29,216 |
| Judy McCarty | \$50,054 |
| Gloria McColl Powell | \$15,330 |
| William Mitchell | \$6,420 |
| Floyd Morrow | \$8,789 |
| Dick Murphy | \$53,489 |
| Maureen O'Connor | \$36,276 |
| Scott Peters | \$20,499 |
| J Michael Schaefer | \$1,803 |
| Valerie Stallings | \$22,523 |

Pensions for City Politicians

| | |
|------------------|----------|
| Edward Struiksma | \$22,810 |
| Juan Vargas | \$19,132 |
| Barbara Warden | \$16,679 |
| Byron Wear | \$18,668 |
| Leon Williams | \$17,636 |
| AbbeWolfsheimer | \$18,728 |

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